



**BILL LEE
GOVERNOR**

**STATE OF TENNESSEE
DEPARTMENT OF REVENUE
ANDREW JACKSON STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37242**

**DAVID GERREGANO
COMMISSIONER**

December 30, 2024

Senator Bo Watson, Chair
Senate Finance, Ways, and Means Committee
425 Rep. John Lewis Way N
Suite 706, Cordell Hull Building
Nashville, TN 37243

Representative Charlie Baum, Vice Chair
House Finance, Ways, and Means Committee
425 Rep. John Lewis Way N
Suite 620, Cordell Hull Building
Nashville, TN 37243

Catherine Haire
Senate Budget Analysis Director
425 Rep. John Lewis Way N
Suite G-104, Cordell Hull Building
Nashville, TN 37243

Jessica Himes
House Budget Analysis Director
425 Rep. John Lewis Way N
Suite G-104, Cordell Hull Building
Nashville, TN 37243

Dear Committee Chairs and Budget Directors:

The Department of Revenue is providing this report to you pursuant to Public Chapter 950 (2024). Public Chapter 950 eliminates the property measure from the franchise tax calculation for tax years ending on or after January 1, 2024, and authorizes the Department to issue franchise tax refunds to eligible taxpayers who paid the franchise tax based on the property measure for tax years ending on or after March 31, 2020, for which a return was filed with the Department on or after January 1, 2021. Except as noted below, the period to file refund claims ended on December 2, 2024.

Public Chapter 950 directs the Department to report, on or before December 31, 2024, the total number of franchise tax property measure refund claims filed and the total amount paid. The figures below reflect activity completed through December 20, 2024.

Total number of refund claims filed: 66,799

Total amount paid: \$1,276,338,244.42

Please be aware that these totals will change, as we continue to process claims that were filed in the final days of the claim period. Specifically, the total amount paid through December 20 does not correspond to the total number of claims filed.

We also anticipate additional claims will be filed by taxpayers impacted by Hurricane Helene. Consistent with the IRS's decision to extend federal filing due dates to May 1, 2025, for businesses located in a designated disaster area resulting from Hurricane Helene, the Department has extended the franchise and excise tax filing and payment due dates to May 1, 2025. This extension also postpones the franchise tax property measure refund due date to May 1, 2025, for taxpayers located in Carter, Cocke, Greene, Hamblen, Hawkins, Johnson, Unicoi, and Washington counties. There are approximately 2,700 eligible taxpayers in this population, representing a total of up to \$11 million in potential refund payments.

Should you have any questions regarding this information, please do not hesitate to contact me at (615) 741-2461 or David.Gerregano@tn.gov.

Sincerely,

A handwritten signature in cursive script that reads "David Gerregano".

David Gerregano